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SUBJECT: FUNCINPEC'S POLITICAL PARALYSIS

REF: PHNOM PENH 1396

Classified By: Pol/Econ Chief Margaret McKean; Reasons 1.4 (b) and (d)

11. (C) Summary. After nearly two months of continued removals of FUNCINPEC officials and criticism of party leader Prince Norodom Ranariddh by PM Hun Sen, Ranariddh has sought to stave off further problems by underscoring that FUNCINPEC will remain a partner within the coalition government. The Prince, however, urged FUNCINPEC MPs to boycott an upcoming National Assembly vote that would remove a number of FUNCINPEC government officials and replace them with other FUNCINPEC cadre loyal to FUNCINPEC Secretary General Nhek Bun Chhay -- who is widely viewed as working within FUNCINPEC on behalf of Hun Sen and the CPP. Ranariddh told the Ambassador that he has no choice but to maintain the coalition partnership with the CPP for the moment, but still hopes to join with the Sam Rainsy Party (SRP) against the CPP in upcoming elections. Ranariddh will not remove Nhek Bun Chhay or other FUNCINPEC officials who seemingly have switched their loyalty to the CPP. Senior FUNCINPEC supporters of Ranariddh recently removed from government positions complained of anonymous security threats against them; some officials worry that Ranariddh himself may be in danger if he remains in the country. End Summary.

Ranariddh Comes and Goes; Finds Little Room to Maneuver

12. (SBU) Following a raft of criticism from PM Hun Sen in early 2006, Prince Norodom Ranariddh left Cambodia on March 5 and only returned five months later -- on August 17. At the time, he told supporters on arrival at Siem Reap airport that he would work to rebuild FUNCINPEC, which had been hurt by defections and removals of FUNCINPEC government officials during his long absence. On August 24, the Prince flew out of the country again following withering attacks on him by some of his own Ministers -- including Minister of Rural Development Lu Laysreng, who suggested that Ranariddh should step down as leader of FUNCINPEC given the party's declining popularity in successive elections since 1993. Ranariddh returned on September 9 but has spent most of his time outside Phnom Penh, visiting grassroots supporters in a number of provinces. He once again floated the idea of an Alliance of Nationalists (reftel) in mid-September and began talks with opposition leader Sam Rainsy through intermediaries such as Prince Chakrapong. FUNCINPEC officials in favor of the alliance believe that 2008 represents the last chance for pro-democracy advocates, as the oil and gas revenues that are anticipated to begin in 2009 will almost assuredly serve to solidify the CPP's hold on power for another generation.

13. (U) On September 14, Ranariddh visited Kampong Chhnang province and openly pointed out the limitations of FUNCINPEC's partnership with the CPP, mused about the prospects of alliance with the SRP, and criticized the border

treaty between Cambodia and Vietnam. Ranariddh left the country the next day. The PM struck back quickly, using his own public appearance also in Kampong Chhnang province three days later to warn the royalist party to "prepare their coffins" following his hearing of the behind-the-scenes discussions between the SRP and FUNCINPEC. The PM said that the FUNCINPEC leader could not have it both ways -- with one foot in the coalition government and the other foot in the opposition's camp. In response, the PM removed four senior FUNCINPEC government officials: Senior Minister Serei Kosal, Undersecretary of State Chea Chanboribo of the Ministry of Information, and Ministry of Justice Secretaries of State Kassie Neou and Tuot Luch. A number of other dismissals and re-appointments have been proposed. Ranariddh has asked FUNCINPEC MPs to boycott any future National Assembly sessions that would formally remove FUNCINPEC officials and appoint replacements without his concurrence.

14. (SBU) Going one step further, Hun Sen called for Prince Ranariddh to step down as the leader of FUNCINPEC, noting that he would work with FUNCINPEC Secretary General Nhek Bun Chhay. The PM also disparaged Prince Sisowath Thomico's suggestion that the National Assembly be dissolved and power to run the government be handed to former King Norodom Sihanouk. Sihanouk responded that he would not accept the offer, noting that the Prime Minister and the CPP would never allow it. The PM accused the royalists of plotting a coup and threatened to cut salaries at the Royal Palace. Following the removals of Serei Kosal and the other three FUNCINPEC officials, Kosal and Chea Chanboribo reported they had received anonymous security threats; Ranariddh's advisor and manager of Ta Prohm, the FUNCINPEC radio station, also reported to the Embassy that he had received an anonymous threat.

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15. (C) Ranariddh returned to Cambodia on September 25 and sought to shore up his position by clarifying that FUNCINPEC would remain a loyal partner to the CPP in the government. The FUNCINPEC leader requested a series of meetings with diplomatic missions as a prelude to a media announcement that the diplomatic corps had urged the Prince to remain in the government for the sake of political stability. During his September 27 meeting with the Ambassador, the Prince maintained that he had little choice other than to maintain the facade of a partnership with the CPP. He stressed that Nhek Bun Chhay and several other senior FUNCINPEC officials -- referred to by the Prince as "the Gang of Four" -- would remain in the party for the time being, despite their lack of loyalty to Ranariddh. The Prince explained that he would begin working on a redrafting of the party regulations and bylaws, thereby forming a legal basis for their future removal. Ranariddh noted that he planned to maintain an amicable working relationship with Hun Sen to preserve FUNCINPEC as well as the monarchy but also would still seek to form an understanding with Sam Rainsy concerning future collaboration on a political alliance. He asked the US Embassy to intercede with Rainsy and request a meeting on Ranariddh's behalf.

New Permanent and Steering Committees Formed

16. (SBU) On September 28, Ranariddh held a closed door meeting of senior FUNCINPEC officials at the Cambodiana Hotel, and did not invite Nhek Bun Chhay. Over the weekend of September 30-October 1, Ranariddh met with FUNCINPEC representatives at Prince Norodom Sirivudh's residence, where the group established a new permanent committee and steering committee. Nhek Bun Chhay participated in the meeting, which FUNCINPEC sources claim was geared towards seeking an end to the internal party rift. The permanent committee has Ranariddh as its leader, and comprises 18 members. Chhim Seak Leng is the deputy who will make decisions on the party's affairs when Ranariddh is absent. The steering

committee has been reduced to 59 members; Nhek Bun Chhay remains as Secretary General but FUNCINPEC sources believe the new structures will serve to minimize his responsibilities within the party. Ranariddh left the country for Malaysia on October 3, and is not anticipated to return soon. A senior FUNCINPEC official within the MFA told us that the party worries about Ranariddh's safety in Cambodia in the current political climate; others express similar security concerns for Ranariddh and other FUNCINPEC officials.

Comment

17. (C) Ranariddh does little to inspire the PM's confidence, as the Prince continues to talk out of both sides of his mouth. We have no intention of acting as an intermediary for Ranariddh with Rainsy, but will maintain our continued policy of supporting all the political parties and their ability to operate freely and contest equally at election time. Despite Ranariddh's claims that FUNCINPEC remains a loyal partner in the coalition government with the CPP, the coalition is in name only. The divisions and discord within the party are apparent, and the PM continues to openly intimidate Ranariddh. Many FUNCINPEC loyalists are worried about the party's future, and the sense of drift is palpable. It is unclear how Ranariddh can restore confidence in the party among grassroots FUNCINPEC supporters when he remains an absentee party leader, preferring to spend most of his time in Malaysia with his mistress and young son. End Comment.
CAMPBELL